DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 95 — 48
2. STATE: Missouri
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
December 8, 1995

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR

7. FEDERAL BUDGET IMPACT:
a. FFY 96 $ 14,248 Thousands
b. FFY 97 $ 17,997 Thousands

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
4.19-A, Page 28, 29 and Appendix A, Page 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
4.19-A page 28, 29 and Appendix A, Page 4

10. SUBJECT OF AMENDMENT:
This amendment revises the payment methodology for hospital services for SFY-96 and revises the Federal Reimbursement Allowance for SFY-96

11. GOVERNOR'S REVIEW *(Check One)*:

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
GARY J. STANGLER

14. TITLE:
DIRECTOR, DEPARTMENT OF SOCIAL SERVICES

15. DATE SUBMITTED:
12/21/95

16. RETURN TO:
Division of Medical Services
P.O. Box 6500
Jefferson City, MO 65102-6500

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
01/08/96

18. DATE APPROVED:
AUG 28 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
12/08/95

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Nanette Foster Reilly

22. TITLE:
Acting ARA for Medicaid & State Operations

23. REMARKS:

cc:
Martin
Vadner
Waite

SPA CONTROL
Date Submitted 12/27/95
Date Received 01/08/96

FORM HCFA-179 (07-92)

Instructions on Back

"Substitute per letter dated 6/11/01"

XXVI. In accordance with state and federal laws regarding reimbursement of inpatient and outpatient hospital services and the implementation of a Medicaid managed care system, reimbursement for state fiscal year 1996 shall be determined as follows:

A. State fiscal Year 1996 Reimbursement for Inpatient and Outpatient Hospital Services

Claims for inpatient and outpatient hospital services for Missouri Medicaid eligible recipients, not enrolled in a Medicaid managed care plan such as MC+, shall continue to be reimbursed in accordance with current regulations and claims processing procedures.

Inpatient per diem rates and outpatient reimbursement percentages in effect as of June 30, 1995, shall remain in effect for state fiscal year 1996 except for hospitals which initially qualify July 1, 1995, as 1st or 2nd Tier Disproportionate Share or hospitals which previously qualified as 1st or 2nd tier and failed to requalify July 1, 1995. Per diem rates shall be adjusted to a disproportionate share or general plan level as appropriate.

A Medicaid Add-On payment based on 100% of the allocated Medicaid Shortfall and 95% of the DSH Uninsured shall be prorated over SFY 96. Hospitals which contribute through a plan approved by the Director of Health to support the State's Poison Control Center and the Primary Care Resource Initiative for Missouri (PRIMO) shall receive a Medicaid Add-On payment based on 100% of the allocated Medicaid Shortfall and 96% of the DSH Uninsured. MMCP and other incentive payments paid in accordance with sections (19) through (24) of 13 CSR 70-15.010 shall be considered in computing the pro rate share of Medicaid Add-On and DSH Uninsured payments due for the period August 9, 1995 through December 7, 1995.

Hospitals which qualify as 1st tier 10% Add-On DSH shall not receive the Medicaid Add-On payment, but shall continue to receive the UCACI and Safety Net payment described in sections (16) and (18).

B. Medicaid Add-Ons

Medicaid Add-Ons for Shortfall and Uninsured are based on the estimated inpatient and outpatient cost for SFY 96 less the estimated per diem and outpatient reimbursement for SFY 96.

year is the third prior fiscal year (i.e., The base year for SFY 96 is the FY 93 cost report).

The estimated per diem reimbursement for SFY 96 is based on the current per diem rate multiplied by the inpatient days, within benefit limitations, estimated to be paid for SFY 96. The estimated outpatient reimbursement is based on payment at 90% of base year cost trended thru SFY 96.

An adjustment to recognize the FRA assessment not included in the desk reviewed cost per day is also included. The FRA assessment attributable to Medicaid and Uninsured is determined by multiplying the base year Medicaid and Uninsured days by the SFY 96 FRA assessment rate.

An adjustment shall also be determined for hospitals which operated a Poison Control center during the base year and which continues to operate a Poison Control Center in a Medicaid managed care region. The Add-On adjustment shall reimburse the hospital for the prorated Medicaid managed care cost in accordance with the allocation formula described in the Allocation of Medicaid Add-Ons section.

C. Allocation of Medicaid Add-Ons

Medicaid Add-Ons determined for Medicaid Shortfall and Medicaid Uninsured shall be allocated based on the estimated effect of implementation of a Medicaid managed care system (MC+) in accordance with this section. Medicaid per diem and outpatient payments, which are paid on a claim specific basis do not require an allocation.

Medicaid Add-Ons shall be multiplied by a managed care allocation factor which incorporates the estimated percentage of the hospitals Medicaid population which will remain outside a managed care system and the estimated implementation date for a managed care system. For example: If a hospital has 1) an annual Add-On payment of $100,000, 2) 40% of their Medicaid days are related to Medicaid recipients not eligible for Medicaid managed care, and 3) the projected implementation date for managed care is 10/1/95; the prorated Medicaid Add-On is $55,000 [($100,000*25%)+(($100,000*75%*40%)].

The Medicaid Add-on shall include an adjustment to recognize the FRA assessment for the estimated SFY 96 Medicaid inpatient days allocated due to the implementation of MC+.

Substitute per letter dated 6/11/01

INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT

STATE: Missouri TN - 95-48

REIMBURSEMENT TYPE: Inpatient hospital X

PROPOSED EFFECTIVE DATE: December 08, 1995

A. State Assurances and Findings. The State assures that is has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. _____

2. With respect to inpatient hospital services - -

   a. 447.253 (b) (1) (ii) (A) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. _____

   b. 447.253 (b) (1) (ii) (B) - If a state elects in its State plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v) (1) (G) of the Act, the methods and standards used to determine payment rates must specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861 (v) (1) (G) of the Act. _____

   If the answer is "not applicable," please indicate:

   _____

AUG 28 2001

c. 447.253 (b) (1) (ii) (C) - The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality. _____

4. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:

a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. _____

b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. _____

If there are no State-operated facilities, please indicate "not applicable:"

_____

c. 447.272 (c) - Aggregate disproportionate share hospital (DSH) payments do not exceed the DSH payment limits at 42CFR 447.296 through 447.299.

d. Section 1923 (g) _ DSH payments to individual providers will not exceed the hospital-specific DSH limits in section 1923(g) of the Act. _____

B. State Assurances. The State makes the following additional assurances:

1. For hospitals - -

a. 447.253 (c) - In determining payment when there has been a sale or transfer of the assets of a hospital, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital -indebtedness, return on equity)if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

3. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates.

4. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. _____

5. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. _____

6. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205.

Notice published on: December 7, 1995
If no date is shown, please explain:

7. 447.253 (i) - The State pays for inpatient hospital services using rates determined in accordance with the methods and standards specified in the approved State plan. _____

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: Hospital

For hospitals: The Missouri Hospital Plan includes DSH payments in the estimated average rates. However, the DSH payments included in the estimated average rates do not represent the total DSH payments made to hospitals under the Missouri Medicaid Plan.

RH-DSH included

Estimated average proposed payment rate for in state hospitals as a result of this amendment is $ 627.91

Average payment rate in effect for in state hospitals immediately preceding rate period was $627.91

Amount of change: $0.00 Percent of change: 0.00%

Estimated average proposed payment rate for out-of-state hospitals as a result of this amendment is $ 414.36

Average payment rate in effect for out-of-state hospitals immediately preceding rate period was $414.36

Amount of change: $0.00 Percent of change: 0.00%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

(a) The availability of services on a statewide and geographic area basis: This amendment will not effect the availability of short-term or long-term services.

(b) The type of care furnished: This amendment will not effect hospital services furnished to Medicaid eligibles.

(c) The extent of provider participation: This amendment will assure recipients have reasonable access taking into account geographic location and reasonable travel time to inpatient hospital services.

(d) For hospitals - - the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs: It is estimated that disproportionate share hospitals will receive 100% of its Medicaid cost for low income patients with special needs.